

May 11, 2020

Judicial Council of California 455 Golden Gate Ave. San Francisco, CA 94102



Re: Comments on Emergency Rule 1, adopted April 6, 2020

Dear Honorable Chief Justice Tani G. Cantil-Sakauye and Members of the Judicial Council:

The California Apartment Association (CAA) is the largest statewide rental housing trade association in the country, representing more than 50,000 single family homeowners and multi-family apartment owners and managers, who are responsible for over two million affordable and market-rate rental housing units throughout California. CAA's mission is to promote fairness and equality in the rental of residential housing and to promote and aid in the availability of high-quality rental housing in California.

CAA submitted written comments on April 8, 2020, expressing grave concern with Emergency Rule 1. A copy of these comments is enclosed. Unfortunately, the Council has not, to date, publicly considered CAA's comments. While the Council has been willing to change other emergency rules, as shown by the revisions to Emergency Rule 8, the concerns of CAA and its members have not even been allowed a public hearing. This is disheartening given the importance of this issue to CAA's members and the Chief Justice's statement that "no need and no right will be overlooked."

As discussed in the April 8 comment letter, rental housing providers do not get into this business in order to evict tenants, but eviction is, unfortunately, a necessary – and often singular – tool for addressing the most serious situations. Without the ability to legally and peacefully regain possession of property, rental housing providers are powerless to combat many of the biggest problems they face at a time when it is more important than ever for Californians to have a safe place to call home.

As state and local stay-at-home restrictions are eased, it is appropriate for the Council to consider also easing Emergency Rule 1. CAA has proposed policies that will achieve the goal of protecting the most vulnerable while still allowing rental housing providers access to the courts when needed. CAA strongly urges the Council to consider its concerns and proposed solutions in a public hearing as soon as possible.

Respectfully,

CALIFORNIA APARTMENT ASSOCIATION

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Thomas K. Bannon, CEO

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Enclosures:

April 8, 2020 CAA Comment Letter Re Emergency Rule 1





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Judicial Council of California 455 Golden Gate Ave. San Francisco, CA 94102

Re: Comments on Emergency Rule 1, adopted April 6, 2020

Dear Honorable Chief Justice Tani G. Cantil-Sakauye and Members of the Judicial Council:

This letter is in response to the Judicial Council's adoption of Emergency Rule 1 on April 6, 2020. The California Apartment Association (CAA) is the largest statewide rental housing trade association in the country, representing more than 50,000 single family homeowners and multi-family apartment owners and managers, who are responsible for over two million affordable and market-rate rental housing units throughout California. CAA's mission is to promote fairness and equality in the rental of residential housing and to promote and aid in the availability of high-quality rental housing in California.

As you know, the COVID-19 pandemic has thrust our state into unknown territory. In a matter of weeks, the way we live has changed drastically as we all strive to slow the spread of the novel coronavirus. The measures necessary to respond to this pandemic have been swift and devastating for many Californians.

Recognizing that we are in unprecedented times, CAA has urged its members – and all rental housing providers – to act with compassion towards residents who face coronavirus-related hardships, and CAA has asked rental housing providers to follow CAA's Safe at Home Guidelines, which include halting most evictions through May 31. Housing providers throughout the state have taken up the call, at great cost to themselves and their businesses, because it is the right thing to do. CAA has publicly acknowledged Governor Newsom's Executive Order N-37-20 as a reasonable measure to protect struggling tenants from eviction and has engaged in good faith with local governments considering eviction moratoria. In addition, CAA has provided numerous resources to the public, at no cost, on a dedicated resource webpage (caanet.org/coronavirus) to educate rental housing providers and tenants alike about the more than 100 different state and local measures that have been adopted in the past several weeks. Despite owner's good faith efforts to provide safe homes for tenants, while working hard to keep employees on the payroll, are facing calls for rent strikes – even for tenants who can afford to pay rent – by those who seek to use this public health crisis for political advantage.

It is for these reasons that CAA is deeply disappointed with the Council's decision to adopt Emergency Rule 1 (hereinafter "the Rule") on April 6. CAA recognizes that the Council has an important role to play in determining a uniform process for implementing Executive Order N-37-20, but the Rule goes far beyond that. At the Council meeting to adopt this rule, Chief Justice Cantil-Sakauye acknowledged the

haste with which the Rule was crafted and indicated openness to views that the Rule goes too far. In our view, it does just that by providing an across-the-board suspension of all unlawful detainer proceedings for an indefinite period of time, with only a limited and undefined exception for circumstances that threaten "public health and safety." In adopting the Rule, the Council made a legislative determination that put the needs of one group over the needs of another; it clears the way for those interest groups that have called for unlawful rent strikes to continue their irresponsible behavior. CAA urges the Council to reconsider and amend the Rule so that it is more narrowly tailored to serve the legitimate concern it was intended to address while balancing the equally legitimate needs of responsible housing providers and tenants who live at their property.

To be clear, rental housing providers do not get into this business in order to evict tenants, but eviction is, unfortunately, a necessary – and often singular – tool for addressing the most disruptive situations faced by rental housing providers. Without the ability to legally and peacefully regain possession of property, rental housing providers will be powerless to combat many of the biggest problems they face at a time when it is more important than ever for Californians to have a safe place to call home.

The Rule Fails to Account for Legitimate Needs of Rental Housing Providers

In her opening comments at the meeting to adopt this rule, Chief Justice Cantil-Sakauye stated that "no need and no right will be overlooked." However, this Rule's blanket application to nearly all unlawful detainer proceedings, excepting those necessary for public health and safety, means that legitimate and pressing needs of housing providers are not only overlooked, but rejected outright. In a short time since the Rule was adopted, CAA has learned of many situations that will be directly affected by the rule. Below is a snapshot of some of these cases:

- A tenant of a rental property designated for seniors allowed an additional occupant to move-in, without obtaining prior approval from the landlord. The tenant and the unauthorized occupant engaged in disruptive behavior, and the tenant subsequently vacated the property leaving the unauthorized occupant in place. The unauthorized occupant has disturbed the quiet enjoyment of other tenants at the property at all hours of the day and night. The residents of the property demanded that the landlord take action to remove the unauthorized occupant from the property. The landlord served an appropriate notice to guit but is now unable to file an unlawful detainer action.
- An on-site manager's employment was terminated due to a theft committed by the manager. Pursuant to their employment agreement, the former employee was given 7 days' notice to vacate the employer provided unit. The former employee has refused to

vacate, and an unlawful detainer action was commenced. The case will now be stayed under the employer-provided unit. 25 C.C.R. § 42 requires properties with 16 or more units to have an employee reside on-site.

- A tenant of a rental property in Concord violated the lease agreement numerous times by yelling racial slurs at other residents as well as the property manager. The tenant has also disrupted the right to quiet enjoyment of the property by making unreasonable loud noises in his unit and disturbing his neighbors. Multiple residents of the property have complained to the landlord. The landlord served an appropriate notice to perform, and the tenant failed to comply and has continued his behavior. The landlord is unable to proceed with the unlawful detainer action.
- A homeowner in Oakland, unable to afford to pay the utility bills and taxes of his home, rented a room in his home. In January, the lodger refused to pay the rent. The homeowner, who relies on the rental income to survive, is unable to proceed with the unlawful detainer action.
- A tenant of a rental property in San Jose threatened his neighbors by pounding on the neighbor's door multiple times with a baseball bat, alleging that the neighbors were too loud when making breakfast in the morning. The landlord served an appropriate notice to perform; the tenant continues his threatening behavior. The landlord is unable to proceed with the unlawful detainer action.

As these examples demonstrate, the Rule's "public health and safety" exception is inadequate to address the myriad of issues property owners and tenants face as it is both undefined and too narrowly drawn. Under the Rule, a landlord is powerless to address one tenant who is engaging in harassing or threatening conduct towards another tenant where the conduct doesn't directly threaten public health and safety. This is particularly concerning given that housing providers can face liability for exactly this type of situation. See 2 C.C.R. § 12010(a)(1)(C).

It is also unclear how the court will determine whether a particular unlawful detainer case is necessary to protect the public health and safety. If a tenant was served a "no cause" 30-day notice of termination of tenancy because the tenant was engaging in criminal activity, but witnesses were unwilling to come forward to support a 3-day notice to quit out of fear of retaliation, how would the court determine that the case was necessary to protect health and safety?

The Rule is Not Reasonably Time-Limited

In her opening remarks, Chief Justice Cantil-Sakauye emphasized that the actions taken by the Council are "temporary, with a Capital T". However, CAA is deeply concerned that the Rule will be in place for years. The Rule does not have a fixed end date, and instead it is written to last for the duration of the state of emergency proclamation plus an additional 90 days. Under Government Code 8629, an emergency proclamation does not end until terminated by the Governor. However, it is often months – if not years – before emergency proclamations are officially terminated. This is evidenced by Governor Newsom's December 29, 2019, Proclamation Terminating States of Emergency that brought to an end more than 60 emergency proclamations, dating back to 2011.

CAA understands a rule as sweeping as Emergency Rule 1 may have been appropriate as very short-term interim measure while a more finely tuned rule was crafted, but to have such a broad rule apply for such a long time is unworkable. No housing provider can withstand many months – let alone years – of not receiving rent while continuing to provide and maintain habitable rental units, yet that is exactly the situation the Rule creates.

A Balanced Approach Is Possible

CAA rejects the notion that the approach currently taken in the Rule is the only way to protect vulnerable tenants. Instead, CAA believes the stipulations of Executive Order N-37-20 (hereinafter "Executive Order") can be achieved by enacting the following measures:

1. Require a Declaration Upon Filing- Require plaintiffs filing unlawful detainer actions to include with the complaint a declaration as to whether the defendant-tenant provided the notification required by the Executive Order. Given that unlawful detainer complaints are already required to be verified under Code of Civil Procedure § 1166, this would not be a significant change to existing procedure, yet would give civil clerks a clear way to determine whether the defendant is entitled to an additional response time under the Executive Order. The Rule could require the declaration to be sworn to by the plaintiff himself or herself or through an agent, and provide that an attorney declaration is not sufficient, as an additional measure.

This would be consistent with the approach currently taken with respect to local rent control laws. See Judicial Form UD-100 – Complaint – Unlawful Detainer, Section 14, which requires the plaintiff to declare that the rental unit at issue is subject to a local rent control or eviction control ordinance and that all applicable requirements of the ordinance have been met.

- 2. Require a Certification of Compliance at Time of Default Require an additional declaration to be submitted at the time default is requested, certifying that the defendant either: (a) is not entitled to protection under the Executive Order, or (b) has been provided the additional response time provided for therein. This declaration could also be used by the clerk's office in determining whether it is appropriate to issue a writ of possession, in order to prevent enforcement of a writ when the tenant is entitled to protection under the Executive Order. By preventing issuance of a writ in appropriate cases, it would also remove the necessity of sheriff's departments having to adjudicate which tenants are and are not entitled to protection.
- 3. **Suspend Clerk Judgments** Suspend the ability of the clerks to enter default judgments for possession under Code of Civil Procedure § 1169, thus ensuring that every unlawful detainer judgment is issued only after judicial review.
- 4. Simplify the Process for Tenants to Set Aside Improper Judgments Provide a simplified method for a defendant who claims to be protected under either the Executive Order or a local eviction mortarium to seek to set aside a default judgment. Many legal aid organizations around the state already provide "fill in the blank" moving papers, which could be used as a model for a Judicial Council form that could be used by tenants to seek to set aside a default judgment they claim to have been entered in violation of their rights under either the Executive Order or a local moratorium.
- 5. Expand the Post-Judgment Claim of Right to Possession Process Suspend the prejudgment claim of right to possession procedure under Code of Civil Procedure § 415.45 and expand the post-judgment claim of right to possession procedure under Code of Civil Procedure § 1174.3 to allow tenants who have had a default judgment entered against in violation of their rights under the Executive Order or a local moratorium, to have a post-judgment opportunity to enforce their rights in court. This is a process that already exists and can be modified to cover these circumstances. A form similar to Judicial Form CP 10.5 Prejudgment Claim of Right of Possession could be created to outline the process.

These measures ensure the protections enacted by the Governor and local governments are implemented and that there are multiple checks in the system to ensure tenants' rights are not violated, while still allowing the unlawful detainer process to function.

In summary, we agree with Justice Marsha Slough's statement at the Council's meeting on Monday that this rule does not even begin to solve the problems people are facing right now, and we urge the Council to reconsider the Rule and adopt a more nuanced procedure that protects the needs and rights of all Californians.

Thank you for your consideration.

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Respectfully,

CALIFORNIA APARTMENT ASSOCIATION

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Thomas K. Bannon, CEO

Enclosures:

CAA's Safe at Home Guidelines

Rent Strike Documents



CALIFORNIA APARTMENT ASSOCIATION'S SAFE AT HOME GUIDELINES

The COVID-19 pandemic has brought frightening and uncertain times, leaving many Californians with health challenges and economic difficulties. The California Apartment Association urges rental housing providers to act with compassion and work with residents who face COVID-19 related hardships.

The last thing Californians need when they are struggling to maintain stability is to lose the safe place they call home. In this time of crisis, CAA members offer stability as they provide safe homes to millions of Californians sheltering in place.

To ensure this stability, CAA calls upon every California rental housing provider to support **CAA's** Safe at Home Guidelines by committing to the following through May 31, 2020:

- Freeze rents on all residents & pledge to not issue any rent increases.
- Halt evictions on renters affected by COVID-19, absent extraordinary circumstances.
- Waive late fees for residents who pay rent after the rent due date because they have been affected by the COVID-19 pandemic and related government actions.
- Offer flexible payment plans for residents who cannot pay rent by the due date.
- **Direct renters to available resources** to assist with food, health, and financial assistance.
- **Communicate with residents proactively** that you are available to assist them and want to work with them to ensure they remain housed.

The challenge before us is one like we have never endured. But as a community of responsible housing providers, it's our opportunity to help our communities heal. CAA believes rental housing providers have an obligation to stay informed, to look out for each other and our residents, and work together to weather this storm. If we meet this moment, we can come out of this crisis stronger.

- On March 18, 2020, in an open letter to "all California leaders," ACCE threatened a general
 rent strike: "If economic security is not guaranteed we will call for general rent and mortgage
 strikes." And "any rent and mortgage debt accumulated during this period must be
 forgiven." In addition, ACCE wrote: "The moratorium must apply to ALL evictions and
 foreclosures, not just those related to income loss."
 (Letter: https://medium.com/@acceaction/an-open-letter-to-all-california-leaders-cfd462dfe873)
- On March 22, 2020, the Healthy LA coalition said the City of LA should "pursue options to forgive rent obligations for the duration of the crisis, including a recovery period after the state of emergency is lifted. [...] the City must also prioritize the tenants who are at grave risk of losing their homes with rent forgiveness." Healthy Housing Foundation-AHF, ACCE, and Eviction Defense Network are members of the coalition.
 (http://healthyla.org/emergency-action-proposal-for-the-city-of-la/) Their legislative proposals include the following:
 - "The moratorium [on evictions] should cover all evictions, not just those based on nonpayment of rent, and with no requirement to prove a causal connection to COVID-19. This includes, but is not limited to, evictions based on failure to pay rent; breach of lease covenants; unauthorized occupants and/or pets..."
 - "In the event that unpaid rent is not forgiven, tenants must have a minimum of 24 months from the end of the emergency to make late rent payments."
- On April 1, ACCE launched a rent strike campaign: https://www.acceaction.org/rentstrike. Their demand to Governor Newsom: "ORDER THE CANCELLATION OF RENT AND MORTGAGE DEBT DURING THE COVID-19 PANDEMIC, OR WE WILL TAKE COLLECTIVE ACTION TO KEEP OUR FAMILIES HOUSED." ACCE added, even after the shelter in place order is lifted, tenants cannot pay the back rent and it should be canceled. "The 'shelter in place' orders will end. The crisis for low-income and working families will not. Even before the crisis, most of us were living paycheck to paycheck. With the loss of income, there is no way for most Californians to pay back rent or back mortgage payments that went unpaid during the crisis. Basic common sense dictates that because we won't be getting back pay, we have no way to pay back housing payments. It will be hard enough to get back on our feet without being saddled with new debt."
- On April 1, ACCE began featuring its members who have decided to not pay rent. ACCE said, "We are all in this crisis together! If some of us cannot pay, none of us will pay!" And featured Uma Tufeckcic who said she is, "I am on #RentStrike because I will no longer support the greed of our society. Everyone should have access to housing, survival resources and care during the global crisis."
 (https://twitter.com/CalOrganize/status/1245455898081988608)
- On April 8, the New York Times quoted ACCE member Terra Thomas, who "could pay her April rent with savings if she wanted but has decided to withhold the \$833 she pays for her studio," and "has been trying to organize her building in a rent strike, and has gotten tenants in three other units to join her." "One is her upstairs neighbor Andrew Yen, a data scientist at an agriculture company who still has a job and isn't worried about making his \$2,500 monthly rent." (NYT, April 8, 2020)



We are all in this crisis together! If some of us cannot pay, none of us will pay!

Uma Tufeckcic says, "I am on #RentStrike because I will no longer support the greed of our society. Everyone should have access to housing, survival resources and care during the global crisis."



2:00 PM · Apr 1, 2020 · TweetDeck









Rent Strike News @rent_strike · Apr 7

How can you help the #rentstrike movement?

- 1. Virtually contact everyone in your building & find out who can't pay rent.
- 2. Those who can pay rent: stand in solidarity with those who can't by withholding your rent.
- 3. Contact landlord w/ demands as a collective.

#CancelRent

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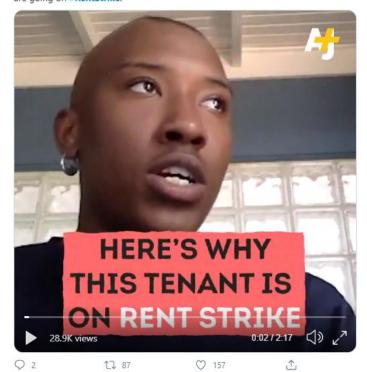
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AJ+ 🤣 @ajplus · Apr 6

People across the U.S. can't pay rent as the #coronavirus hits the economy. Many are going on #RentStrike.





Coronavirus Rent Strike in the Bay Area: Tenants 'Giving the Governor Notice'
Lakshmi Sarah

April 1 is the day rent is due for many around the Bay Area, but in the midst of a statewide shelter-in-place order, many are hard pressed to pay. Instead of suffering silently, however, some Bay Area tenants are launching a campaign to withhold rent.

A group of at least 20 calling themselves rent strikers are issuing Gov. Gavin Newsom their own 30-day notice to cancel all rent and mortgage payments during the current public health crisis. If he fails to act, renters across the state are planning to withhold rent payments beginning on May 1.

"Today we are giving the governor notice," said Terra Thomas, a florist in Oakland who is now without work.

At the beginning of the year, Thomas was fully booked with floral work until December, but now all of her events have been canceled through June.

"I have essentially lost my job because of the COVID-19 crisis. ... This is a matter of survival. Either we eat or we pay rent," Thomas said. "No one should have to choose between food and housing. ... I'm striking for my neighbors, and I'm striking for our community, and I'm striking because I can't pay."

"It's really a signal to other people that they're not alone. It's a symbol of resistance."—Carroll Fife, director of ACCE

According to Anya Svanoe, communications director with <u>Alliance of Californians for Community Empowerment</u> (ACCE) at least 20 tenants in Oakland are striking today by refusing to pay April rent, but they expect many more by the end of the month.

Carroll Fife, the director of ACCE, said, "It's really a signal to other people that they're not alone. It's a symbol of resistance." ACCE is working with a coalition of people and organizations to "shift this whole housing paradigm," Fife added.

Ricky Zepeda, 44, lives in Richmond with his spouse and adult children. Most of his family members have been laid off or had their hours reduced. He said he will most likely strike on May 1.

"Before it wasn't a struggle, but now it is either spend the money you do have saved up on rent or keep saving it and see how long it will last. Now it is survival mode," Zepeda said. "If there's no money coming in, how are you gonna do it?"

Unemployment insurance claims soared in March and during the week ending March 21. A total of 187,000 people in California filed for unemployment according to the U.S. Department of Labor, and some expect unemployment during the coronavirus pandemic to be higher than during the Great Depression.

"If we look at 2008 and how much money the banks got bailed out, like entire industries were built out while people languished," Fife said. "We're saying no, we're not going to let that happen again, we will stop this entire economy."

"It's up to the people to decide what kind of society that we want to live in. ... The people that are reaching out to us want something drastically and dramatically different," Fife added.

Fife said ACCE has been using rent strikes as a tactic for a long time — most recently to exert pressure on the landlord of a building on 29th Avenue in Oakland. After months of striking, the landlord agreed to negotiate a sale price with the Oakland Community Land Trust, an organization that acquires and maintains affordable housing.

Fife hopes the current rent strike can further the movement for housing as a human right that Moms 4 Housing recently helped energize.

She said many of the people she's talked to have limited options. Some are waiting for a bailout check, and others won't benefit from the

recently enacted Federal Stimulus bill, either because they are undocumented, college students or didn't make enough money to qualify.

"There's a host of individuals that this [stimulus bill] won't cover and won't protect. What happens to them?" Fife asked. "There are very few options that we have to respond to this pandemic and people are choosing to feed their family."

Though many of those who are striking are renters, Fife and ACCE have organized with a group of landlords who call themselves "property owners for fair and affordable housing."

She said a few landlords have asked her, "Where do we get our moratorium? Because no one's going to freeze our mortgage, and no one's going to freeze our sewer payments and our garbage pickup and all of the things that go along with mortgage payments?"

FIfe is looking to explore that, too. "Mom-and-pop landlords should also be bailed out in the same way that banks were bailed out [in the past]," she said.

Oakland florist Thomas warned that "some of us are striking today, but millions more will be forced to strike on May 1 if the government doesn't step up."



California nonprofit calls for statewide rent strike

LOCAL NEWS

by: **Bridgette Bjorlo**

Posted: Apr 1, 2020 / 10:36 PM PDT / Updated: Apr 1, 2020 / 08:59 PM PDT

SACRAMENTO, Calif. (KTXL) -- The start of the month under a statewide stay-at-home order means many tenants and homeowners are scrambling to come up with the money for their rent and mortgage bills.

On Wednesday, the Alliance of Californians for Community Empowerment declared a statewide rent strike, demanding that those payments be forgiven until people can return to work.

With so many workers out of a job right now, a number of families do not know when their next paycheck is coming -- but the bills keep piling up.

Spring usually marks the start of a busy wedding season for California florist Terra Thomas. But under Gov. Gavin Newsom's order, many ceremonies have been postponed, and so have her paychecks.

"I already was kind of scraping bottom to get by, as I do every year during down season," Thomas explained. "So, I had one week of my 60- to 80-hour a week job that I usually would have for the rest of the season and then I lost all of that."

She has not had any income in weeks and is now struggling to pay for her next meal and other basic necessities.

"It's very terrifying for me and a lot of other people having to choose between paying rent or buying food," she told FOX40.

So Thomas and a group of other Californians have joined ACCE's strike, withholding their rent and mortgage checks in an effort to mount pressure on the governor to pause the payments during the coronavirus pandemic.

"Something's got to happen," said California tenant Ricky Zepeba.

In March, Gov. Newsom signed an executive order banning the eviction of tenants unable to pay their rent through May 31, also placing a partial moratorium on foreclosures.

Sacramento City Council passed a similar measure locally, temporarily prohibiting landlords from evicting tenants impacted by the virus.

Single mother Monica Perez pointed out renters and homeowners will still have to pay up once the crisis subsides.

"It's not that I'm going to have the money later because if I don't start working soon, I'm not going to have the money to pay," she said. "And it's not only mortgage, we're talking about the utility bills too."

It could leave residents, like Thomas, to sink deeper into debt -- or worse.

"If something doesn't change, then when this crisis is over we're just going to have such a mass eviction and housing crisis on our hands," Thomas said. "It's going to be catastrophic."

The campaign is giving Newsom 30 days to act and forgive rent and mortgage payments. The group says not doing so could result in a "tsunami of evictions and foreclosures far worse than that seen following the economic crash of 2008."

Many tenants will be receiving a relief check in the mail in the next three weeks as part of the stimulus package recently passed by Congress. But those FOX40 spoke with on Wednesday said that money will only cover a fraction of their monthly expenses.

If a tenant is unable to make their rent payment, they must notify their landlord in writing no later than a week after their rent is due.



'This is about survival': California tenants plan rent strikes as Covid-19 relief falls short

Renters say governor's emergency eviction protections leave many behind

Sam Levin in Los Angeles and Vivian Ho in San Francisco

Tue 31 Mar 2020 06.00 EDT Last modified on Tue 31 Mar 2020 11.47 EDT

Tenants across <u>California</u> are organizing rent strikes for the month of April, arguing they will not be able to pay their landlords for the foreseeable future and that the minimal protections now in place fail to provide relief for vulnerable renters.

As Covid-19 <u>shelter-in-place orders</u> have led to a <u>surge in unemployment</u> and slowed down the state's economy, the California governor, Gavin Newsom, has passed a <u>two-month delay</u> on imposing evictions for people who cannot pay rent due to the crisis. His <u>order</u> prevents the enforcement of evictions until the end of May but requires tenants to repay the full amount later, forces renters to jump through numerous hoops and opens the door for evictions to resume in June.

While several large municipalities have passed stronger protections, tenants' groups say the governor's order does not go far enough and could pave the way for an even more catastrophic housing crisis than the one plaguing California before coronavirus.

Activists are now coordinating rent <u>strikes</u>, a practice that has gained traction in LA in recent years and involves tenants <u>organizing</u> as a group, withholding rents and making collective demands.

"We are all suffering, but we shouldn't have to suffer to this extent," said Melissa Reyes, a 25-year-old Los Angeles resident who plans to withhold her rent and is helping organize a strike in her Boyle Heights building. "This is about survival and necessity."

Newsom's order only temporarily restricts the enforcement of evictions, still allowing landlords to start the eviction process, file notices and move to kick tenants out when the moratorium ends. His policy further requires tenants declare in writing that

they can't pay due to Covid-19, and that they have documentation, which could be a hurdle for undocumented workers, people with non-traditional employment and those

It also does not stop landlords from moving forward with evictions for reasons other than non-payment, such as remodeling or taking a rental off the market.

"It includes a lot of ways for tenants to trip up," said Michael Trujillo, staff attorney at the Law Foundation of Silicon Valley's housing program, adding, "The governor has the power right now to just prohibit all evictions."

In a state where many workers have to divert a significant portion of their paychecks to rent, activists have called for a complete moratorium on evictions and foreclosures and a statewide suspension of rent, meaning a rent freeze or forgiveness so that tenants do not wind up with insurmountable debts.

"For some, the decision is pay rent and starve, or don't pay rent and pay for food," said Chris Estrada, an organizer with the Los Angeles Center for Community Law and Action, which has fielded calls from dozens of tenants who don't have the cash to pay this week. For many others, he said, the reality is, "'If we pay April, will I starve in May?"

In a city such as San Francisco, where the median rent for a one-bedroom is \$3,479, paying retroactively will be impossible for many. "If six months later, I had a \$20,000 debt waiting for me that I was expected to pay off right away, that would not be possible, especially after months of not having a stable paycheck," said Lupe Arreola, executive director of Tenants Together.

The city of Oakland has passed what advocates said was the strongest protection in the state, with a moratorium that prohibits all evictions and prevents late fees and rent hikes in the next two months. While tenants will owe back rent when the emergency is over, the ordinance prohibits landlords from evicting them because of non-payment during that time, a move meant to encourage payment plans. "This should be passed everywhere," said Leah Simon-Weisberg, an Oakland attorney, adding that she did not know a single tenant advocate in the state who supported Newsom's much weaker policy.

LA's city council stopped short of passing a <u>complete ban</u> on evictions and requires tenants defend themselves against an eviction in court. The policy gives tenants a year to repay landlords. San Francisco also continues to <u>allow</u> limited evictions.

"The reality is corporate landlords are already negotiating with their banks to figure out their mortgage situation and how to not pay," said Kenia Alcocer, 34, who will not be paying rent in East LA and is helping other tenants strike. "Why not us? We're the ones most impacted."

Alcocer, an organizer with the group Union de Vecinos, gave birth in January to her second child, who suffered from numerous medical complications, which has already

been a huge financial strain on her family and has escalated Covid-19 concerns. She estimated that more than 300 tenants who have worked with her group would not be paying rent this week, adding: "They are talking to their neighbors and their family members, and the numbers are growing rapidly."

Alcocer is encouraging others to strike in solidarity and said she heard from one tenant who panicked, paid April's rent and now regrets it: "Now, he has no money for food, no money for anything else. He has no job."

The LA Tenants Union is pushing a "food not rent" <u>campaign</u> and urging people not to pay this month even if they temporarily can afford it.

Tracy Jeanne Rosenthal, a co-founder of the union, said that while there were clear risks to striking, "There has never been a better time to use what little power we have, which is often your rent check, as a way of demanding that the city and state do right by a majority of its constituents."

In LA county, she noted, an estimated 600,000 people <u>spend</u> 90% of their income on rent: "Tenants were already in crisis."

Some have noted that the \$1,200-a-person check from the government as part of its Covid-19 stimulus package would barely make a dent in some people's rent even as the emergency bill offers <u>major benefits to large corporations</u>. And activists have argued that although corporate landlords should not get bailouts, smaller property owners should also see a suspension of mortgage payments.

Tracy Jeanne Rosenthal, a co-founder of the LA Tenants Union, said an estimated 600,000 people in the county spent 90% of their income on rent. Photograph: Timo Saarelma

Kyle Cunningham, a 32-year-old Boyle Heights resident, said he had lost all income as a freelance camera operator and that he had asthma and was uninsured. Withholding rent was the only feasible option for him and his fiance, who is also a freelancer, he said: "It's a completely unprecedented situation for me. I've always paid ... But I need to redirect the money I have to protect my family and buy groceries and the other necessities we

Carolina Reid, faculty research adviser at the Terner Center for <u>Housing</u> Innovation at UC Berkeley, said without drastic action, she feared the economy and housing market was heading toward another crash like the foreclosure crisis of 2008, which led to widening inequality and is still affecting California a decade later: "I'm worried about what happens when this crisis ends."

Jesse Melgar, a spokesman for Newsom, did not respond to specific criticisms about the policy, saying in an email the order would provide "significant relief to millions of Californians who worry about making rent next week and in the months to come — especially in jurisdictions around the state that didn't act locally to implement their own moratoriums", adding, "These protections provide a strong, statewide foundation that cities can build upon."

Newsweek

TENANTS PLAN RENT STRIKES IN CALIFORNIA DESPITE EVICTION DELAYS DURING CORONAVIRUS PANDEMIC

California tenants are planning rent strikes as spiking unemployment and economic uncertainty have left many facing financial troubles. Activists have suggested that measures taken to protect renters in the state during the pandemic need to go further, with one renters' union co-founder telling *The Guardian* that California had to "do right by a majority of its constituents."

Several outlets have also reported that the rent strikes are due to take place this month in some of the Golden State's largest cities, including Los Angeles, San Francisco, and Oakland.

As the COVID-19 pandemic has led to business shutdowns and stay-at-home orders, initial jobless claims have soared to recording breaking levels, with more than three million recorded in the week ending March 21.

A view of San Francisco's famed Painted Ladies and skyline on February 18, 2014 in California.

According to the Department of Labor figures released Thursday, more than 186,000 of those initial unemployment insurance claims were made in California, making it one of the worst affected states.

In an attempt to ease the pressure on tenants amid the unemployment spike, California Governor Gavin Newsom ordered that a two-month delay be placed on evictions of renters impacted by the coronavirus pandemic. Similar moratoriums on evictions were passed by the Los Angeles and Oakland city councils that same week. San Francisco Mayor London Breed also ordered on March 23 that a delay be placed on no-fault evictions until June 21.

California community activists believe some of the moratoriums do not go far enough, and have called for blanket eviction bans and rent suspensions to be ordered.

The Tenants Together executive director Lupe Arreola told Salon on Tuesday, "The call for rent strikes are really a call for leadership, a call for leadership from our elected officials, from our state officials from the federal government to institute rent suspensions, and blanket eviction moratoriums, which at this point hasn't happened especially here in California."

Tracy Jeanne Rosenthal, the LA Tenants Union co-founder, told *The Guardian* that there was "never a better time" for tenants to put pressure on public authorities by holding back rent payments.

"There has never been a better time to use what little power we have, which is often your rent check, as a way of demanding that the city and state do right by a majority of its constituents," she told the newspaper.

Speaking to The Appeal about rent strikes in Oakland set to begin today, the Alliance of Californians for Community Empowerment (ACCE) Oakland Director Carroll Fife said, "There are several individuals across this country that will not be able to financially afford to pay rent and also have food for their families."

She added that people on rent strikes were not paying for accommodation so they could afford to survive the novel coronavirus pandemic.

Under a \$2 trillion coronavirus stimulus package passed by Congress last week, many Americans will receive individual checks starting at \$1,200 while an extra \$250 billion is added to unemployment benefit programs.

It is unclear how far those individual checks and unemployment benefits will go for Californian households living in cities with some of the highest average rents in the United States, according to analysis by Zumper and Business Insider.

Newsweek has contacted Gov. Newsom's office for comment and will update this article with any response. The ACCE, Tenants Together and the LA Tenants Union have also been contacted for comment.

The New York Times

31% Can't Pay the Rent: 'It's Only Going to Get Worse'

As the economic shutdown pares tenants' incomes, April payments have been reduced, deferred or withheld. Some landlords see their property at risk.

By Conor Dougherty

April 8, 2020Updated 5:44 p.m. ET

First it was the waitress whose restaurant closed. Then the waiter, the bartender, the substitute teacher, the hairdresser, the tattoo artist and the Walgreens manager.

One after the other, the tenants called and emailed their landlord, Bruce Brunner, to say they were out of work and the rent was going to be late. A week after the bill was due, some two dozen of Mr. Brunner's 130 tenants had lost their jobs or had their hours reduced. He's working out payment plans and using security deposits as a stopgap while directing tenants to the emerging patchwork of local, state and federal assistance programs.

"Six weeks ago, you could name your price and you'd have multiple people applying," said Mr. Brunner, who lives in Minneapolis, where he owns and manages 20 duplexes and triplexes across the city. "Now you're deferring and working out payment plans, and it's only going to get worse."

One week after the first of the month, tenants nationwide are already struggling with rents. In interviews with two dozen landlords — including companies with tens of thousands of units, nonprofit developers who house the working poor, and mom-and-pop operators living next door to their tenants — property owners say their collections have plunged as much of the economy has shut down to prevent the spread of the deadly coronavirus.

Daryl Carter, chief executive of Avanath Capital, a Southern California company with 10,000 units across the country, said his buildings reduced April rents by 10 percent. Deidre Schmidt, chief executive of CommonBond Communities, a nonprofit affordable-housing provider with about 6,000 apartments in the Midwest, expects as many as 40 percent of her tenants, most of them hourly workers with low incomes, to fall behind on their monthly bills. Joseph Razavian, a part-time landlord in Atlanta who works at a software company but owns a duplex and a triplex as investments, is bolstering his reserve fund by putting off nonessential maintenance like fresh paint and new rain gutters.

"The whole market just changed," said Gustavo Lopez, a property manager in the San Francisco Bay Area.

Nearly 10 million people <u>have filed unemployment claims</u> over the past two weeks. It's too early to gauge how broadly these numbers will translate to the loss of rent: Many tenants are within the grace period before their rent is declared late. Some can stitch things together for a while by getting deferrals, applying their security deposits or paying with credit cards.

Still, early findings suggest that April is looking bad and lend credence to Mr. Brunner's opinion that May will be much worse. The National Multifamily Housing Council, a trade group for big apartment owners and developers, compiled data tracking rent payments across some 13.4 million units nationwide. It showed that through the first five days of April, 31 percent of tenants had so far failed to pay their rent, compared with 18 percent in the same period a year ago.

That lined up with surveys released by Apartment List, a rental listing service; Mynd Property Management; and Avail, a platform that helps small landlords manage rentals. All showed the share of partial or unpaid rent surging to as much as a quarter of billings,

Some tenants are simply moving out. College students are breaking leases to move home. Laid-off workers are showing up at rental offices to exchange their keys for their deposits, saying they are moving in with family members.

And there is Terra Thomas, a florist in Oakland, Calif., who could pay her April rent with savings if she wanted but has decided to withhold the \$833 she pays for her studio. With her usually busy wedding season shaping up to be grim, she'd rather conserve her money than pay bills now.

"This could last a long time and be really, really serious, so I don't want to be asking myself in a few months, 'Why did I give away my last few paychecks to rent?'" she said. "I need to know that I can eat and pay for health care."

The \$2 trillion CARES Act, signed by President Trump on March 27, should in theory help laid-off tenants keep up with the rent through a combination of expanded unemployment insurance and one-time stimulus payments. The act also included aid to public-housing providers and grants to state governments that could be used for rental assistance.

But only a sliver of the money deals with housing directly. About \$12 billion in grants will mostly be given to cities, homeless shelters, affordable-housing providers and states to support people who are homeless and sustain or increase housing assistance. There are big gaps in assistance for tenants as well as landlords, because almost all of it is directed to renters and owners already attached to some sort of government program.

For instance, much of the aid to tenants is earmarked for those living in subsidized and public housing, and much of the mortgage forbearance will benefit landlords whose loans are backed by the government through Fannie Mae and Freddie Mac or the Department of Housing and Urban Development. This is little help to most moderate-and low-income tenants who live in market-rate developments, or small landlords whose loans are often held by private lenders and not backed by the federal government.

Cities and states have tried to address housing troubles by passing eviction moratoriums, which should prevent an immediate rise in homelessness but doesn't resolve what happens in three or four months when tenants who have had little or no income are billed for months of back rent.

"Eventually the moratoriums will be lifted, and we don't want to create an environment where low-income renters fall off a financial cliff and we have a rash of evictions," said Diane Yentel, chief executive of the National Low Income Housing Coalition, an advocacy group in Washington.

After lobbying for grants to homeless providers in the CARES Act, her group is pushing for \$100 billion in direct subsidies to tenants. The National Multifamily Housing Council has called for similar aid. Ms. Yentel, in an interview, cited two objectives: to relieve tenants of rent burden, but also to support small landlords at risk of foreclosure.

For several decades, the nation's affordable-housing stock has fallen sharply, particularly "naturally occurring affordable housing" — run-down buildings that offer low rents without government subsidy. Since much of this housing is operated by smaller landlords, Ms. Yentel fears that without any aid to landlords, the buildings could go into default and be picked up by investors who will renovate them for higher-paying tenants after the crisis subsides.

"One way or the other, we have to get aid to smaller landlords so that the precious affordable-housing stock we have still exists on the other end of this crisis," she said.

According to the Joint Center for Housing Studies at Harvard University, a quarter of the nation's <u>44 million renter households</u> paid more than half their income in rent in 2018. Separate research from the Federal Reserve showed four in 10 Americans would have difficulty covering a sudden <u>\$400 expense</u>, suggesting that tens of millions of tenants are just a week of missed work away from falling behind on their housing bills.

For the past <u>four years</u>, rent increases have helped stir a nationwide tenant uprising that led to the biggest expansion of tenants' rights in decades. Rent control laws were enacted in <u>New York</u>, <u>Oregon</u> and <u>California</u>, and tenants organized mass actions, like a group of mothers in Oakland who <u>occupied an empty house</u> for two months to protest house flipping.

Now, after years of coordination, organizers see the coronavirus pandemic as a galvanizing force. Last week, the Right to the City Alliance, a national coalition of tenant and racial-justice organizations, held a digital #CancelRent rally to call for rents to be

eliminated as long as people can't work. Homes Guarantee, a national tenants' campaign, has been holding weekly strategy calls. On Wednesday, a caravan outside US Bank Plaza in Minneapolis honked horns and waved signs to demand rent and mortgage relief.

"This is a moment of clarity about a broken system in which 11 million people were already paying over 50 percent of their income on rent," said Tara Raghuveer, a tenant organizer in Kansas City and director of Homes Guarantee.

Ms. Thomas, the renter refusing to pay in Oakland, is a member of the Alliance of Californians for Community Empowerment, an activist group associated with the house-occupying mothers. For weeks she has been trying to organize her building in a rent strike, and has gotten tenants in three other units to join her.

One is her upstairs neighbor Andrew Yen, a data scientist at an agriculture company who still has a job and isn't worried about making his \$2,500 monthly rent. He and Ms. Thomas had been discussing some sort of coordinated action, but after weeks of job losses, and walking around his neighborhood seeing "rent strike" posted on telephone poles or spray-painted on utility boxes, he decided the time was now, so he is striking in solidarity.

"I feel like rent striking is the least somebody like me can do," he said. "I'm the tenant the landlord wants to keep, so the worst-case scenario is eviction, but I probably have a lot more wiggle room than that."

The New Hork Times

Business

A new rallying cry among America's working class: No one should pay rent until the coronavirus pandemic ends

About 40 million people nationwide live in rental properties. As landlords demand April 1 rent, some tenants are going on strike.

By

Renae Merle,

Heather Long and

Patricia Sullivan

April 1, 2020 at 12:49 p.m. PDT

After losing his job as a restaurant cook last month, Casey James began contacting his Atlanta neighbors with an idea: No one should pay rent until the coronavirus pandemic ends.

Going door-to-door in some cases, James, 28, estimates he has talked to nearly 200 people. If everyone refused to pay, it would be harder for landlords to evict anyone, protecting those who had recently lost their jobs, he told them. "The reception has been total support; I was really surprised," James said.

April 1 has loomed as a turning point in the coronavirus economic fallout for the country's more than 40 million renters and 30 million small business owners. With millions laid off due to the pandemic, some are pulling money from their savings

accounts, borrowing money from friends to pay rent or attempting to negotiate deals with their landlords.

Even some large retailers are balking at paying their April rent. The Cheesecake Factory has said it won't be paying April's rent for its nearly 300 restaurants across the country due to the coronavirus. Wendy's is deferring rent payment on properties it leases to franchisees by 50 percent over the next 90 days.

The Washington Post interviewed small business owners and laid-off workers across the country about how they're dealing with the economic challenge of paying rent with little to no income. Whether they're renting commercial property to run a restaurant or a one-bedroom apartment to live in, renters said the options offered by their landlords were limited and could leave them in worse financial condition later.

Meanwhile, landlords cautioned that tenants' widespread refusal to pay rent could trigger some landlords to default on their loans and lead to a repeat of the 2008 collapse of the housing market.

Several tenants who spoke to The Post say they have received threatening notes from landlords to pay their full rent on time or else face legal proceedings. Others were given an option to delay their April rent, but they still have to pay the full amount later this year, which merely prolongs or delays the anxiety since they don't know when businesses will reopen or whether they will still have a job.

Frustrated, some renters have resorted to staging and organizing rent strikes. On Wednesday, tenant rights groups held a training call for people organizing rent strikes in New York. Strikes have also popped up in Chicago and San Diego.

Unemployed workers struggling to get by before coronavirus shouldn't be forced into debt now that the pandemic has nearly shuttered the economy, James said.

"It's not fair — everything is shut down, you can't work. Our mayor says, 'Stay home, don't go outside,' but we're expected to pay the cost of subsidizing" landlords, James said. "If we're really in this disaster, everything should be frozen."

While some help is on the way after the federal government passed a \$2 trillion aid package known as the CARES Act, in some cases the money isn't getting out fast enough. Some people say they can't even apply for unemployment benefits because state websites keep crashing and phone lines are swamped.

The other key form of relief, \$1,200 checks to people earning under \$75,000, won't start rolling out until April 17 at the earliest. Millions of Americans will probably have to wait longer, since the IRS does not have their banking information on file.

"Amazing that our central bank can get dollars to every financial corner of this earth, and our government cannot cut the unemployed a check," said Sam Bell, founder of Employ America, which advocates for policies to help workers.

More than a dozen states, including Alaska, Michigan and Kentucky, have halted evictions, according to the National Consumer Law Center. Both Maryland and Virginia, as well as the District of Columbia, have banned evictions at least through the end of April, but renters will still have to pay their bills when the bans are lifted, and they may have to pay additional fees.

Landlords have been sending out notices ranging from polite to threatening. "We understand we are currently living a reality of financial uncertainty and we sincerely empathize with your concerns," wrote one Alexandria, Va., landlord from the west end of town.

A Takoma Park, Md., property manager took a less empathetic tone: "Understand that rent is due and if not paid in the normal time frame, we will file on you in a court of law for non-payment of rent."

John Colone, who was laid off from his job as a server at Pizza Hut in Elkton, Md., was walking to the post office Wednesday to see whether he's received a response to his unemployment application. Colone said his landlord is demanding the rent, and if it's not paid in the next few days, the landlord is threatening eviction.

"It's been 17 days since I applied," he said, over the sound of traffic. His fiancee, who shares his \$700-per-month apartment, was just laid off as a retail store cashier as well "What am I going to do? It's fight or flight, I guess," he said. "I got family in Philadelphia, but you don't want to put that burden on anyone else. We'll be living out of her car, I guess, but we're scared. It's desperate times. But I'm praying for everybody every night, and I've got to think God will protect me. I hope so."

Melissa Terry, who has lived in her Seattle apartment since 2008, lost her job as a nanny for several families as the coronavirus spread across the country. "I can't be going from house to house," she said.

The landlord has offered residents who couldn't pay April rent a repayment program, but that would push Terry, who owes thousands in student loans, further into debt. "I have three kids, I am a single mom. I will be lucky to have good food. I am just not going to have money for rent in a few months," she said.

Instead, on Saturday, Terry sent her landlord a form letter recommended by a friend for people participating in rent strikes. She would pay 25 percent of her nearly \$1,200-amonth rent until the end of the pandemic, with the remaining 75 percent of the amount forgiven. On Wednesday, she sent in \$1 instead of her entire rent payment and said she would submit the rest of the lower amount if the landlord and building owner agreed. "I don't have a lot to lose" by participating in the rent strike, she said.

Some renters are now calling for a financial bailout, arguing that many of them have suffered a financial shock just as devastating as the one facing airlines and other industries that stand to collect billions in loans and bailouts from taxpayers.

Rep. Maxine Waters (D-Calif.) has proposed spending \$100 billion to cover rent and utility bills for millions of Americans. New York state Sen. Mike Gianaris (D-Queens) introduced legislation that would forgive three months of rent and mortgage payments for people and small businesses affected by the coronavirus.

"People don't have income by the order of the government. These jobs vanished when we shut down the economy," Gianaris said.

Industry groups representing landlords are also calling for renters, and themselves, to be rescued with another economic stimulus bill. The National Rental Home Council, which represents landlords of single-family homes, estimates it would cost \$9 billion to \$10 billion a month to offset the cost of tenants who can't afford their rent because of the coronavirus.

The alternative is a housing crisis that would rival the collapse that nearly brought down the economy a decade ago, industry officials say. Most landlords operate within thin margins and take out loans to finance their properties, said David Howard, executive director of the National Rental Home Council.

"The assumption that landlords are going to be able to absorb an extended break in monthly rent is very much mistaken and could lead to a different problem," said Howard.

Landlords have been encouraged to be flexible with their payments, waive late fees and delay rent increases, said Doug Bibby, president of the National Multifamily Housing Council, or NMHC. "We're trying to strike a balance out there, we are all paddling our boats in uncharted waters," he said.

But the industry is concerned some renters won't pay even if they can afford it, crippling landlords who still must pay taxes, insurance and staff to maintain their properties. "They have a ton of obligations themselves; this can't be a rent holiday. . . . Taxing authorities are still asking for their money," Bibby said.

Several renters say they their landlords are offering modest short-term help but not the long-term assistance they need.

Angelia MacNeil moved into a two-bedroom home outside Atlanta in early March with her husband and 13-year-old son. Within a few weeks, the \$1,250-a-month rent became unaffordable after her husband was laid off and her tips as a waitress at a Waffle House began to dry up.

The property manager said MacNeil could pay a portion of her April rent and then repay the rest over several months. But MacNeil says her family was already living month-tomonth before the coronavirus and she is skittish about agreeing to make even higher monthly payments before knowing when her family would be financially stable again. "I would rather not risk it," MacNeil said of a rent strike. "I would rather have something in writing" with the landlord.

Winnette Ambrose laid off 25 of her 30 workers at Souk Bakery and is limiting another restaurant, Sweet Lobby in the District's Eastern Market development, to just takeout. It is not enough to keep them afloat, Ambrose said. "And in the back of your mind is the question of the risk you are putting your staff and clients in harm's way."

Her landlord gave her two options: She can pay all the rent due by December, or she can skip paying rent in April and May if she agrees to pay higher rent all summer. Neither route looks appealing. She would need customers to come roaring back this summer, including many coffee shops around the District that normally buy her goods wholesale. "What we need is 100 percent abatement while we are closed," Ambrose said. "We won't all be flush with cash when we open again."